

MEDIA RELEASE

STRAITS TRADING

PROFIT AFTER TAX EXCEEDS \$100 MILLION IN FY2019

- *PATNCI growth due to higher contribution from Straits Real Estate*
- *ARA Asset Management grows assets under management to \$87 billion as at 31 December 2019*
- *Malaysia Smelting Corporation is on track to commence operation of its new smelter in Pulau Indah, Klang*

SINGAPORE – 25 February 2020 - The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) today reported a 17.6% increase in profit after tax and non-controlling interests (“**PATNCI**”) to \$84.4 million for the full year ended 31 December 2019 (“**FY2019**”). This is the highest PATNCI achieved by the Group since 2014. Correspondingly, earnings per share (“**EPS**”) for the year has increased to 20.7 cents. The record performance was largely due to higher contribution from the Real Estate segment.

On a quarterly basis, the Group’s PATNCI rose more than two-fold to \$29.7 million for the three months ended 31 December 2019 (“**4Q2019**”). EPS for the period was 7.3 cents.

The Group has proposed an interim dividend of 6 Singapore cents per share for FY2019, unchanged from FY2018.

KEY CORPORATE HIGHLIGHTS IN FY2019

During the year, Straits Real Estate (“**SRE**”) continued to bolster its position across the Asia Pacific region.

In Australia, Straits Real Estate (“SRE”) strengthened its footprint in the logistics space with the acquisition of a land parcel in Adelaide, which will be developed into a mixed-use office and warehouse facility by the end of 2020. In February 2020, SRE completed the acquisition of a mixed-use office and industrial property in Mulgrave, Victoria. The current portfolio of seven industrial properties across Australia is collectively valued at \$200.9 million.

In Japan, SRE rebalanced its portfolio by acquiring three freehold property apartment buildings in Tokyo, while divesting four residential properties in Central Osaka for a capital gain of JPY890 million (\$11.1 million). Upon completion of the divestment, SRE’s portfolio of residential properties in Japan comprises 637 apartment units across eight strategically located freehold properties in Tokyo.

In China, SRE expanded its retail footprint beyond Chongqing through a 37.7% stake in a joint venture to acquire the Sanlin Incity retail mall in Pudong, Shanghai. The total purchase consideration for the asset is CNY2.42 billion (\$468.1 million), of which SRE’s pro-rata capital contribution is approximately CNY441.9 million (\$85.5 million). The other joint venture partners are ARA Asset Management Limited (“ARA”) and ICBC International Investment Management Limited.

SRE made its maiden entry into South Korea, following a partnership with IGIS Asset Management in the logistics space. The joint venture has acquired a 50% stake in a freehold site in Incheon which is currently being redeveloped into a five-story state-of-the-art ramp-up logistics facility. Completion is expected by 1Q2021.

The Group’s associate, ARA, continued to grow well with gross assets under management reaching \$87 billion as at 31 December 2019. Among other developments, ARA listed ARA US Hospitality Trust on the SGX, entered into a strategic transaction with LOGOS Property to establish a best-in-class logistics real estate development and investment management platform, deepened its presence in Europe with joint ventures with Dunedin Property and Venn Partners LLP to tap opportunities in Europe, while establishing its inaugural Renminbi fund to invest in China.

Malaysia Smelting Corporation Berhad (“**MSC**”) is now in the final phase of migrating its Butterworth tin smelter operations to its new smelting plant at Pulau Indah, Klang. The new smelter is expected to commence full operations in the near term, and will serve as a key catalyst for MSC’s long-term growth. The MSC Group has also secured new mining leases for the RHT tin mine in Klian Intan, Perak, with the leases now running until November 2034. Tin mining activities at Sungai Lembing, Pahang, are also expected to begin contributing in the near term.

Ms Chew Gek Khim, Executive Chairman of Straits Trading, said, “FY2019 was a milestone year for Straits Trading. We achieved outstanding financial results while strengthening the various engines of growth within our real estate ecosystem. This will allow us to continue to deliver sustainable returns and shareholder value in the long term.”

SUMMARY OF RESULTS:

S\$ million	4Q2019	4Q2018	% Chg	FY2019	FY2018	% Chg
Profit before tax	49.9	22.0	127.1	129.3	99.6	29.8
Profit after tax	35.1	18.8	86.9	100.4	82.7	21.4
PATNCI	29.7	14.1	110.2	84.4	71.7	17.6
EPS (Singapore ¢)	7.3	3.5	108.6	20.7	17.6	17.6

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About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is an investment company with stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns an 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments & opportunities globally. It also owns a 20.95% stake in ARA Asset Management Limited, a premier global integrated real assets fund manager, and has a 30% interest in Far East Hospitality Holdings, a premier hospitality assets owner and operator. Straits Trading also engages in tin mining and smelting through its 54.8%-owned subsidiary, Malaysia Smelting Corporation Berhad that is dual listed on Bursa Malaysia and SGX-ST.

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For the full STC Financial Statements, please visit our website: www.stc.com.sg